PROPOSITION 310
[SCR 1049 - 2022]

fire districts; funding; TPT increment

ANALYSIS BY LEGISLATIVE COUNCIL

Legislative Council Staff Draft

1   Proposition 310 would increase the state transaction privilege tax (commonly known as the
2   sales tax) and the state use tax from the current state tax rate of 5.6% to 5.7% for twenty years,
3   beginning on January 1, 2023, to provide funding for fire districts. The new revenue generated by
4   the tax increase would be deposited into the fire district safety fund and would be used first to pay
5   the costs to implement and administer the fund; the remaining revenue would be distributed each
6   month to fire districts to carry out the districts' statutory duties.
7   The initial monthly distribution would be to fire districts in proportion to each fire district's
8   most recent equalized property valuation, except that a single fire district could not receive more
9   than 3% of the total amount of monies to be distributed to all fire districts. If monies remain after
10   the initial distribution, there would be a second distribution to fire districts that received less than
11   3% of the total amount of monies to be distributed in proportion to those fire districts' most recent
12   equalized property valuation, except that a single fire district's initial and second distribution may
13   not be more than 3% of the total amount of monies to be distributed to fire districts. Any monies
14   that remain after the initial and second distributions would be distributed equally among all the
15   fire districts.
16   Fire districts are special taxing districts formed under existing state law to provide fire,
17   rescue and other emergency services to specific areas outside of the boundaries of a city or town.
18   Fire districts are different from fire departments, which provide services within the boundaries of
19   a city or town.
20   The revenue distributed from the fire district safety fund would be in addition to the
21   revenues a fire district may currently receive from secondary property taxes levied on the taxable
22   property within the fire district.